

CITY OF WHEATLAND 2019 WATER AND SEWER RATE ADJUSTMENTS

FREQUENTLY ASKED QUESTIONS (FAQ)

WHY WERE WATER AND SEWER RATES ADJUSTED IN 2019?

California law requires that water and sewer utility rates have a direct relationship to the cost of providing the service. Rates must be reviewed periodically and adjusted to maintain that relationship. Wheatland's water and sewer rates had not been adjusted since December 1, 2014.

HOW WERE THE NEW WATER AND SEWER RATES DETERMINED?

The City of Wheatland contracted with a fee consultant to analyze operational costs, needs and revenues. The city contracted with ClearSource Financial Consulting to complete the rate study which was approved by the City Council in January 2019.

WHAT CHANGED WITH THE NEW WATER RATE STRUCTURE?

Under the prior water rate structure, approximately 92% of the revenue was generated from the base charge which allowed 15 units of water use. In order to ensure that customers are charged fairly for what they actually use, best practices in water utility management state that 60% of the revenue should come from the base charge and the remaining 40% of the rate based on actual water use. That formula would have meant an allowance of only 9 units in the base rate. Following considerable discussion, the City Council compromised and agreed to include in the base rate an allotment of 12 units. This is an incremental step toward a target of 60% of revenue being included in the base charge following future rate studies.

The impact of this decision affects customers differently. Customers who regularly use less than the base allotment will experience a lower rate increase. Customers who regularly exceed the base allotment will experience a higher adjustment. This structure ensures that lower use customers are not subsidizing larger users.

Because the new rate is tied more closely to use, customers using more water in the summer to irrigate landscaping will experience higher bills in the summer months.

WHAT CHANGED WITH THE SEWER RATE STRUCTURE?

The most significant change to the structure of the sewer rates involves commercial accounts. Under the new rate structure, commercial sewer charges are now directly related to non-irrigation water use.

DID THE PUBLIC HAVE THE OPPORTUNITY TO REVIEW THE RATE ADJUSTMENTS PRIOR TO THE CITY COUNCIL ACTION TO APPROVE THE NEW RATES?

Yes. The proposed rate structure was discussed at City Council meetings on December 11, 2018, January 8, 2019 and January 22, 2019. A public notice was then mailed to all water and sewer customers and property owners on February 4, 2019. A public workshop was held at the Community Center on February 21, 2019. Finally, a public hearing was held on March 26, 2019 prior to adoption of the new rates.

WHEN WILL RATE ADJUSTMENTS OCCUR?

Future rate increases will occur each October in 2019, 2020, 2021, 2022 and 2023.

QUICK LINKS

[2019 Water and Sewer Rate Study](#) completed by ClearSource Financial Consulting

[Rate Adjustment Notice](#) mailed on February 4, 2019.